



EUROPEAN
COURT
OF AUDITORS

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Background memo, LV COSAC meeting on 14 June 2016, session I

The European Court of Auditors and national parliaments: closer cooperation

General introduction

The first session of the last day of the COSAC Conference focuses on the exchange, among national parliaments of best practices and experiences relating to the handling of European Court of Auditors (ECA) special reports. Delegations are invited to share their experiences with the aim of working towards closer cooperation between the ECA and national parliaments.

Background

COSAC promotes the exchange of information and best practices between national parliaments and the European institutions. Under Article 12 of the Lisbon Treaty, national parliaments can contribute actively to the 'good functioning of the Union', and this is not limited to the principle of subsidiarity but also includes exercising political control at national level on the 'decentralised' spending of the budget. Indeed, the First Protocol of the Treaty underlines the importance of this. The European Court of Auditors' special reports are a valuable source of information on the spending of the EU budget and can support Members of Parliaments in their parliamentary work. By using the results and recommendations made in the ECA reports for parliamentary questions, motions and debates with the government, Members of Parliament can influence EU decision-making and improve the EU's accountability and policy implementation. In fact, national parliaments and the European Court of Auditors have the common goal, as the watchdogs of both political and financial affairs, of ensuring that the European Union works well.

Enhanced cooperation

Every autumn, the European Court of Auditors publishes its annual report on the spending of the EU budget, based on financial and compliance audits. The annual report is discussed in many Member States' national parliaments, and every year, ECA Members visit the parliaments to present the report. Besides the annual report, the European Court of Auditors publishes around 30 special reports each year on specific topics based on performance audit, i.e. 'Was the EU-money well spent?' and 'what did the spending of EU-money achieve?'

The European Court of Auditors has noticed an increased interest in these special reports on the part of national parliaments. In some parliaments, ECA Members are invited by parliamentary committees, such as the European Affairs, Economic Affairs, Environmental Affairs and Public Accounts committees, to present the findings of the reports in more detail. Based on the reports and these meetings, MPs have asked parliamentary questions leading to successful outcomes at national and European level. Although certain national parliaments are actively cooperating with the ECA in different ways, a number of parliamentarians are not aware of the potential of this cooperation in their daily work in general, or of the usefulness of the special reports in particular.

Session

During the session, Mr Alex Brenninkmeijer and Mr Ville Itälä, Members of the European Court of Auditors, will reflect on the current relations between the European Court of Auditors and national parliaments. Main focus of the session will be what members of parliaments need from the European Court of Auditors to be better connected with the EU legislative process and how special reports can support Members of Parliament in their work. In particular, they will consider best practices for optimising the use of special reports by Members of Parliament. Four Members of different national parliaments (Finland, Italy, Luxembourg and the Netherlands) will also share their views on this issue via video link.

In order to facilitate the debate on these topics we invite you to reflect on the following questions:

Relations between the European Court of Auditors and national parliaments

- What are your experiences with the handling of ECA's reports in your national parliament?
- How could special reports of the ECA support Members of Parliament in their work and contribute to parliamentary scrutiny?
- How can the special reports be better connected to the legislative process?
- Should national parliaments be able to propose directly new audit topics to the European Court of Auditors to ensure a better connection to the legislative process?

Optimal use of special reports of the European Court of Auditors

- Should all ECA special reports be sent to the national parliaments?
- Should the parliamentary handling of ECA reports in national parliaments be better structured?
- Would an annual planning of ECA special reports support the handling of ECA reports in the national parliament?
- Could a liaison position at national parliaments enhance cooperation between national parliaments and the European Court of Auditors?

The European Court of Auditors in brief:

The European Court of Auditors, based in Luxembourg, was established in 1977 and became a fully-fledged EU institution in 1993. Its mission is to contribute to improving the EU's financial management, promote accountability and transparency and act as the independent guardian of the financial interests of EU citizens. The ECA's role as the EU's independent external auditor is to check that EU funds are correctly accounted for, are raised and spent in accordance with the relevant rules and regulations and have achieved value for money. As Europe faces ever greater challenges and increasing pressure on its public finances, the ECA's role is of increasing importance. The ECA warns of risks, provides assurance and offers guidance to EU policymakers on how to improve the management of public finances and ensure that Europe's citizens know how their money is being spent. This is the essence of the European Court of Auditors' contribution to strengthening the democratic legitimacy and sustainability of the European Union.

| <i>Special reports recently published by the European Court of Auditors</i> | <i>Selection of upcoming reports</i> |
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| <u>Financial assistance provided to countries in difficulties</u> | Food waste |
| <u>Fisheries Partnership Agreements</u> | Natura 2000 |
| <u>Security of energy supplies</u> | Single Supervisory Mechanism |
| <u>Greek Task Force: Commission's intervention Greek financial crisis</u> | EU support to Honduras |
| <u>Baltic Sea Strategy</u> | Climate action objectives |
| <u>Is the EIT a suitable vehicle to deliver innovation in the EU?</u> | EU biofuels policy |
| <u>VAT-Fraud in the EU</u> | Compliance with State Aid rules |
| <u>Quality of Excessive Deficit Procedure and macro-economic data</u> | Pre-accession assistance in the Western Balkans |